

28 August 2023

Future Generation Australia announces investment portfolio outperformance and increased interim fully franked dividend

+5.9%*

annualised FY2023 fully franked dividend yield

+5.2%^

investment portfolio performance for the six months to 30 June 2023

\$9.3m

annualised value of savings from management, performance and service provider fees forgone per annum

\$5.2m

2023 investment in our social impact partners with a focus on Australian youth at risk

The Future Generation Australia Limited (ASX: FGX) investment portfolio increased 5.2%^ in the six-month period to 30 June 2023, outperforming both the S&P/ASX All Ordinaries Accumulation Index which rose 4.7% and the S&P/ASX Small Ordinaries Accumulation Index which increased 1.3%. Since inception, the investment portfolio has increased 8.5%^ per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 1.1% per annum and the S&P/ASX Small Ordinaries Accumulation Index by 3.0% per annum. The investment portfolio's outperformance has been achieved with less volatility than the market, as measured by standard deviation.

For the six-month period ended 30 June 2023, the Company reported an operating profit before tax of \$25.0 million (HY2022: operating loss before tax of \$100.9 million) and an operating profit after tax of \$20.8 million (HY2022: operating loss after tax of \$67.9 million).

The Future Generation Australia Board of Directors has declared an increased interim fully franked dividend of 3.35 cents per share. This provides an annualised fully franked dividend yield of 5.9%* and a grossed-up dividend yield of 8.4%**. The annualised interim fully franked dividend yield on the 30 June 2023 net assets is 5.2%, and the grossed-up yield on assets was 7.4%. This is greater than the market's dividend yield of 4.4%.

The long-term investment portfolio performance and the profits reserves available has enabled Future Generation Australia to pay shareholders a stream of fully franked dividends since inception. Since inception, Future Generation Australia has paid 39.8 cents per share in fully franked dividends to shareholders. The Company held a profits reserve of 26.9 cents per share as at 31 July 2023, representing 4.0 years of dividend coverage for shareholders, after the payment of the interim fully franked dividend of 3.35 cents per share.

Mike Baird AO, Chair of Future Generation Australia, said: "It is pleasing to see that our leading pro bono fund managers have outperformed the Index and delivered positive investment portfolio performance in what continues to be a challenging market. Their generosity and hard work has enabled us both to increase the dividend for shareholders and support the critical work of our social impact partners."



This year Future Generation Australia will deliver its ninth annual social investment of \$5.2 million to its social impact partners and other not-for-profit organisations, bringing the total social investment since inception to \$37.9 million.

Caroline Gurney, CEO of Future Generation, said: "We are pleased that the unique model of Future Generation allows us to continue supporting not-for-profit organisations during a challenging time for the Australian economy. This enables them to focus on supporting young Australians who need their help now more than ever."

*Based on the 25 August 2023 share price of \$1.13 per share.

^Investment portfolio performance is before expenses, fees and taxes to compare to the relevant indexes which are also before expenses, fees and taxes.

**Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.

39.8 cps

Fully franked dividends
paid since inception

26.9 cps*

Profits reserve
as at 31 July 2023

4.0 years*

Dividend coverage

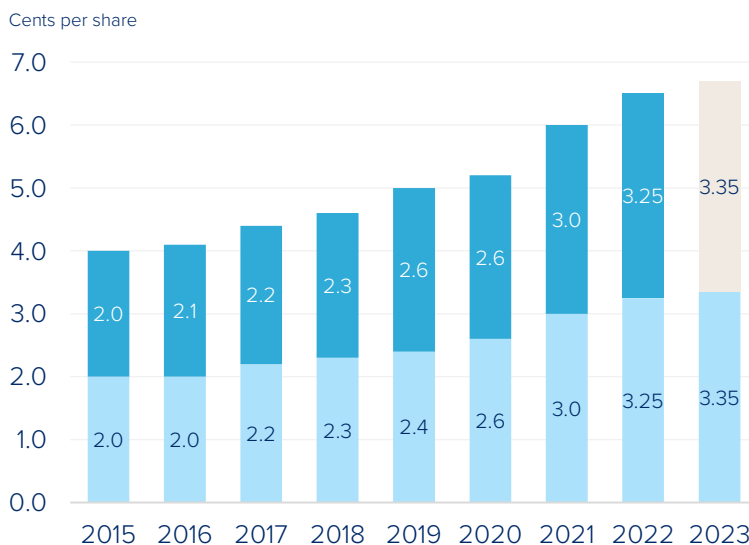
Future Generation Australia estimates the value of the management and performance fees forgone by its pro bono fund managers, service providers, the Board and Investment Committee to be approximately \$9.3 million per annum, or around 1.8% of the net assets of the Company. These savings to shareholders exceed the annual investment to our social impact partners of 1.0% of the Company's average net assets per annum.

Investment portfolio update

The Future Generation Australia Investment Committee has selected leading Australian fund managers that have a proven ability to outperform the market and their peers over the long term. This has resulted in the investment portfolio having a larger weighting towards small, mid and micro-cap companies with an underweight exposure to large-cap companies.

The Future Generation Australia Investment Committee believes that Australian small, mid and micro-cap companies are poised for a sustained rebound, once interest rates stabilise and market conditions improve. Small, mid and micro-cap companies have been sold off more heavily than their large-cap counterparts, with the S&P/ASX All Ordinaries Accumulation Index outperforming the S&P/ASX Small Ordinaries Accumulation Index by 19.7% in the period September 2021 to June 2023. The Investment Committee believes this sell-off provides our boutique active managers with attractive investment opportunities in the small, mid and micro-cap sector.

Fully franked dividends since inception



Interim fully franked dividend dates

Ex-dividend date	12 October 2023
Dividend record date (7:00pm Sydney time)	13 October 2023
Last election date for DRP	17 October 2023
Interim fully franked dividend payment date	27 October 2023

The Dividend Reinvestment Plan (DRP) is in operation and the recommended interim fully franked dividend of 3.35 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be calculated as the volume weighted average market price (VWAP) of shares sold on the ASX (on an ex-dividend basis) four trading days from the ex-dividend date, inclusive of the ex-dividend date. The DRP will operate without a discount for the 2023 interim fully franked dividend.

■ Interim fully franked dividend ■ Final fully franked dividend ■ Annualised interim fully franked dividend

Investment portfolio performance

Performance as at 30 June 2023	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-14)	Volatility [#]
Future Generation Australia [^]	5.2%	12.5%	10.9%	6.7%	8.5%	8.5%	11.9%
S&P/ASX All Ordinaries Accumulation Index	4.7%	14.8%	11.4%	7.3%	9.0%	7.4%	14.5%
Outperformance	+0.5%	-2.3%	-0.5%	-0.6%	-0.5%	+1.1%	
S&P/ASX Small Ordinaries Accumulation Index	1.3%	8.4%	5.2%	2.3%	5.8%	5.5%	17.6%
Outperformance	+3.9%	+4.1%	+5.7%	+4.4%	+2.7%	+3.0%	

[^]Profits reserve and dividend coverage are after the payment of the FY2023 interim fully franked dividend of 3.35 cents per share.

[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant indexes which are also before expenses, fees and taxes

[#]Volatility is measured by standard deviation.

All major platforms provide access to Future Generation Australia, including AMP North, BT Panorama, Colonial First State Wrap, Netwealth, Macquarie Wrap and Hub 24. Future Generation Australia receives coverage from the following independent research providers:

Investment Grade



Recommended



Highly Recommended



This announcement has been authorised by the Board of Future Generation Australia Limited.

**Future
Generation
Australia
9 Years Listed**



About Future Generation Australia

Listed in 2014, Future Generation Australia Limited (ASX: FGX) provides:



Shareholders with exposure to leading Australian fund managers without paying management or performance fees.



Social impact partners primarily focused on young Australians at risk with a stream of annual investments.



Fund Managers with a unique opportunity to make a positive difference to Australia's future generations.

For more information visit www.futuregeninvest.com.au or contact:

Mike Baird AO
Chair
E. info@futuregeninvest.com.au
T. (02) 9247 9202

Caroline Gurney
Chief Executive Officer
T. (02) 9247 9202
M. 0403 279 605

Emily Fuller
Social Impact Manager
T. (02) 9247 9202
M. 0415 755 485

Elly McNee
Senior Corporate Affairs Advisor
T. (02) 9247 9202
M. 0449 663 178